

Rebenchmarking of the Direct Aid to Public Education Budget for the 2012-2014 Biennium

**Presented to the
Board of Education**

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Presentation Topics

- **Overview of 2012-2014 Rebenchmarking Process**
- **2012-2014 Rebenchmarking Incremental Cost Detail**
- **Analysis of Key Data Inputs Impacting 2012-2014 Rebenchmarking Cost**
- **Appendix: State Cost of 2012-2014 Rebenchmarking by Direct Aid Account**

Rebenchmarking Process

- **State funding for local school divisions for public education programs is provided through the Direct Aid to Public Education budget. The General Assembly appropriates the funds.**

- **Direct Aid funding is appropriated in six budgetary categories:**
 1. **Standards of Quality**
 2. **Incentive Programs**
 3. **Categorical Programs**
 4. **Lottery Proceeds Fund**
 5. **Supplemental Education Programs**
 6. **Federal Funds**

- **In each odd-numbered year, the cost of the Direct Aid budget is “rebenchmarked” for the next biennium, beginning the biennial budget development process. The process applies to state Direct Aid programs in categories 1-4 above (30 or more accounts).**

Rebenchmarking Process

- **The rebenchmarked budget represents the state cost of continuing the current Direct Aid programs into the next biennium with biennial updates in the input data used to determine the cost of the programs.**
- **Input data used to cost out the Direct Aid accounts are updated every two years to recognize changes in costs that have occurred over the preceding biennium.**
- **The process updates the cost of SOQ and other Direct Aid accounts by reconstructing costs step-by-step using the latest data available. It involves about 25 separate data updates.**
- **The current FY12 Direct Aid budget enacted by the 2011 General Assembly (i.e., Chapter 890) serves as the base budget against which the rebenchmarking cost for each year of the 2012-2014 biennium (FY13 & FY14) is determined.**

Rebenchmarking Process

- **Rebenchmarking updates are technical in nature and do not involve changes in policy or funding methodology, other than those already approved and directed by the General Assembly.**
- **Costs are projected forward for anticipated enrollment changes, salary changes, inflation, and other factors. The state cost impact for FY13 & FY14 of the standard data updates is shown in detail in later slides.**
- **Because rebenchmarking impacts the total cost of the Direct Aid formulas, it impacts both state costs and the required local share of cost that must be funded locally.**

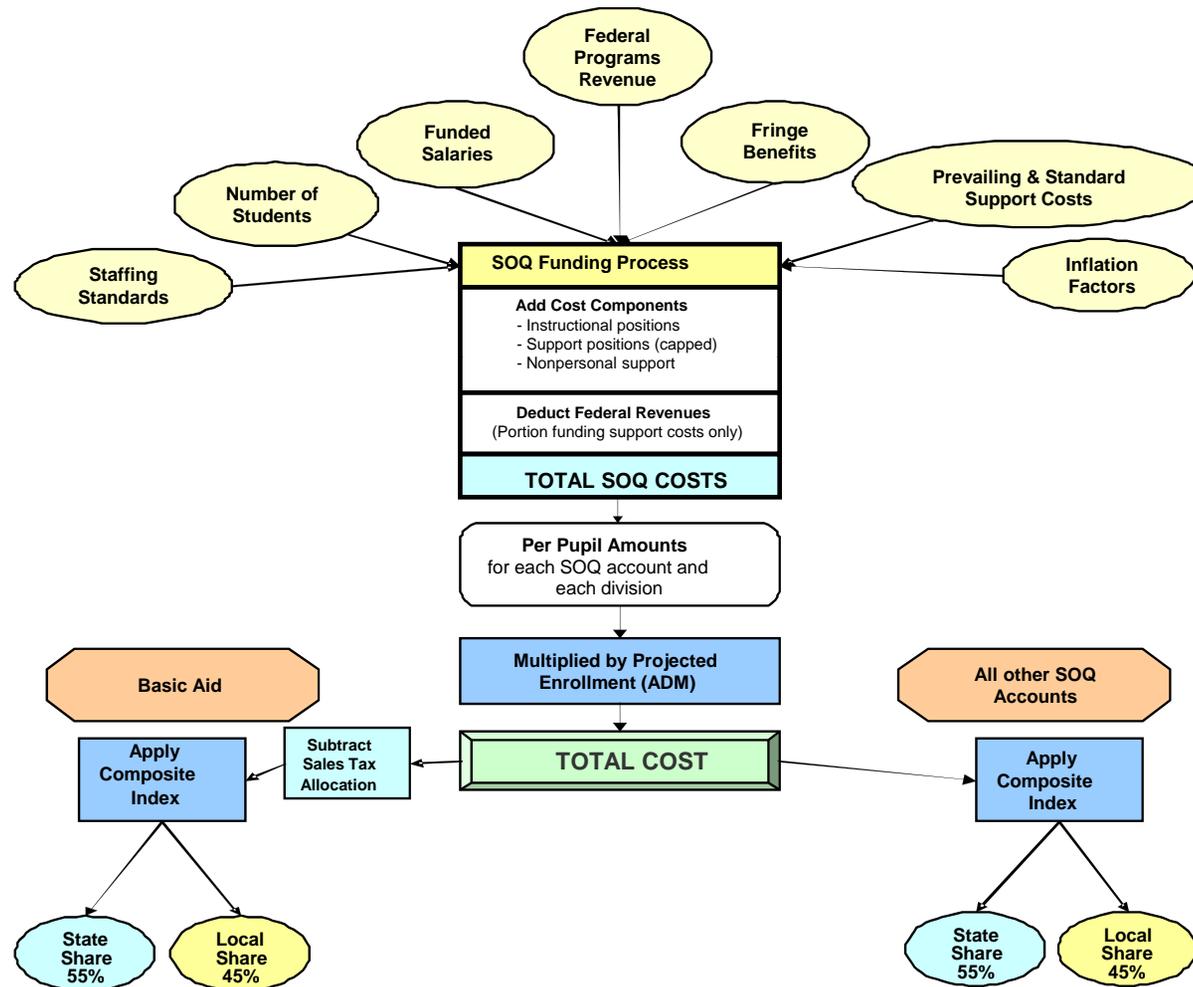
Rebenchmarking Process

- **SOQ accounts represent approximately 90% of state Direct Aid funding so they are impacted most by the rebenchmarking process.**

- **Key components of the SOQ funding formula:**
 - 1) **Student enrollment;**
 - 2) **Staffing standards for instructional positions;**
 - 3) **Salaries of instructional positions;**
 - 4) **Fringe benefit rates;**
 - 5) **Support costs (salary and non-salary);**
 - 6) **Inflation factors;**
 - 7) **Federal revenues deducted from support costs;**
 - 8) **Amount of sales tax revenue and division composite indices (updated fall 2011).**



Rebenchmarking Process for SOQ



Rebenchmarking Process

- **Key data elements used in 2012-2014 rebenchmarking calculations (data is from FY10 & FY11):**
 - **Funded instructional and support salaries**
 - **Fall Membership and Average Daily Membership projections**
 - **Special education child count**
 - **Career & technical education course enrollment**
 - **SOL failure rates and free lunch eligibility %'s for SOQ remedial education and other at-risk accounts.**
 - **Base-year expenditure data from 2009-2010 Annual School Report**

Rebenchmarking Process

- **Key data elements used in 2012-2014 rebenchmarking calculations (data is from FY10 & FY11), continued:**
 - **Health care premium expenditures**
 - **Nonpersonal cost inflation factors**
 - **Federal programs revenue (for deduct from support costs)**
 - **Prevailing textbooks costs**
 - **Enrollment projections for remedial summer school and English as a Second Language programs**
 - **Updates to support costs including the division superintendent, school board, school nurse, and pupil transportation costs**

Rebenchmarking Process

Major Inputs that are Fixed for the Biennium:

- Funded Salaries
- Special Education Child Counts
- Initial Fall Membership & ADM Projections used in SOQ Model
- CTE Course Enrollment
- Composite Index
- Head Start Enrollment (for VPI)
- Free Lunch Eligibility Percentages
- SOL Test Scores (for SOQ Prevention, Intervention, and Remediation)
- Federal Programs Revenue (for deduct from support costs)

Major Inputs that are Updated Annually:

- Enrollment Projections
- Reimbursement Account Projections
- Lottery Revenue Estimates
- Sales Tax Revenue Estimates
- VRS Fringe Benefit Rates (subject to General Assembly action)
- Inflation Factors (subject to General Assembly action)

Rebenchmarking Process

2012-2014 Direct Aid to Public Education Budget Summary of Major Data Elements Used in 2012-2014 Rebenchmarking Calculations		
	FY 2012 Base	FY 2013 & FY 2014 Rebenchmarking
A. Student Enrollment Data		
Fall Membership	2008-2009	2010-2011
Special Education Child Count	December 1, 2008	December 1, 2010
Career & Technical Education Course Enrollment	2008-2009	2010-2011
SOL English & Math Test Score Failures (for SOQ Prevention, Intervention and Remediation)	Three-year average (2006-07; 2007-08; 2008-09)	Three-year average (2007-08; 2008-09; 2009-10*) <i>* 2010-11 available Fall 2011</i>
Free Lunch Eligibility Data (for SOQ Prevention, Intervention and Remediation and other accounts)	Three-year average (October 2006, 2007, 2008*) <i>*Oct. 2008 for other accounts</i>	Three-year average (October 2008, 2009, 2010*) <i>*Oct. 2010 for other accounts</i>
B. Expenditure Data (funded salaries and support costs)	2007-2008 Annual School Report	2009-2010 Annual School Report
C. Fringe Benefit Rates		
Instructional VRS Retirement (Including Retiree Health Care Credit)	6.93%	6.93% (Update in Fall 2011)
Non-instructional VRS Retirement	7.53%	7.53% (Update in Fall 2011)
Social Security/Medicare	7.65%	7.65%
Group Life Insurance	0.28%	0.28% (Update in Fall 2011)
Health Care Premium (<i>Funded per position amount with Inflation</i>)	\$3,375	\$3,907
D. Composite Index (<i>Base-Year Data</i>)	2007	2009 (Update in Fall 2011)
E. Funded Non-Personal Support Inflation Factors (<i>Unweighted average</i>)	0%* <i>*(Inflation was not funded in Chapter 890, 2011 Appropriation Act)</i>	3.96%
F. Textbooks (<i>Funded Per Pupil Amount with Inflation</i>)	\$40.56	\$93.23
G. Average Daily Membership Projections (<i>Initial Projections</i>)	1,221,831 (FY12)	1,223,646 (FY13), 1,230,860 (FY14)

Rebenchmarking Process

- **The following data inputs are not yet available but will be updated and included in the Governor's introduced 2012-2014 budget released in December:**
 - **Revised composite index for the 2012-2014 biennium**
 - **Revised enrollment projections**
 - **Revised Lottery revenue projections**
 - **Revised sales tax revenue projections**
 - **Revised fringe benefit rates from VRS**

Rebenchmarking Process

- **The final amount of state funds provided for Direct Aid each biennium reflects the recognized rebenchmarking costs and any funding policy changes adopted by the Governor and the General Assembly.**
- **The state share of cost for rebenchmarking the 2012-2014 Direct Aid budget above the fiscal year 2012 base is \$145.6 million in fiscal year 2013 and \$173.1 million in fiscal year 2014, for a biennial total of \$318.7 million.**

State Cost of Each Rebenchmarking Update

(incremental cost above FY12 base)

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
1	Remove Non-Participation Estimate for the Virginia Preschool Initiative (general fund portion of cost)	\$22,130,167	\$22,130,167	\$44,260,334
2	Remove FY12 One-Time Spending (Composite Index Hold Harmless, Supplemental Support for School Operating Costs, and Performance Pay Incentives Initiative)	(\$107,254,433)	(\$107,254,433)	(\$214,508,866)
3	Reset Nonpersonal Support Inflation Factors to 0% in SOQ Model (not funded in the FY12 base)	\$0	\$0	\$0
4	Reset Personal Support Inflation Factors to 0% in SOQ Model (not funded in the FY12 base)	\$0	\$0	\$0
5	Update Fall Membership and Average Daily Membership Projections	(\$421,003)	\$13,349,721	\$12,928,718
6	Update Special Education Child Count to December 1, 2010	(\$13,926,642)	(\$13,751,218)	(\$27,677,860)
7	Update Career and Technical Education Enrollment to the 2010-2011 School Year	(\$19,409,892)	(\$19,370,654)	(\$38,780,546)

State Cost of Each Rebenchmarking Update

(incremental cost above FY12 base)

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
8	Update SOL Failure Rate Data to School Year 2009-10 and Free Lunch Percentages to School Year 2010-11	\$14,600,999	\$14,737,779	\$29,338,778
9	Update SOQ Gifted, Support Technology, and Instructional Technology Positions	\$2,607,478	\$2,611,618	\$5,219,096
10	Update SOQ Funded Instructional Salaries	\$72,903,315	\$73,004,384	\$145,907,699
11	Update Base-Year Expenditures from Annual School Report to School Year 2009-10 for Personal Support Costs (Positions and Salaries)	\$11,690,827	\$11,807,732	\$23,498,559
12	Update Base-Year Expenditures from Annual School Report to School Year 2009-10 for Nonpersonal Support Costs	\$55,958,854	\$55,518,772	\$111,477,626
13	Update Federal Revenue Deduct	(\$35,126,656)	(\$35,070,795)	(\$70,197,451)

State Cost of Each Rebenchmarking Update

(incremental cost above FY12 base)

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
14	Update Support Positions Cap (Ratio of Instructional to Support Positions)	(\$7,941,471)	(\$7,995,171)	(\$15,936,642)
15	Update Costs for Division Superintendents, School Boards, and School Nurses (without inflation)	\$4,945,433	\$4,839,187	\$9,784,620
16	Update Health Care Premium (without inflation)	\$25,193,055	\$25,036,289	\$50,229,344
17	Update Textbook Per Pupil Amount (without inflation)	\$33,361,926	\$33,459,604	\$66,821,530
18	Update Pupil Transportation Costs	(\$13,265,763)	(\$13,814,976)	(\$27,080,739)
19	Update Nonpersonal Support Cost Inflation Factors	\$54,278,942	\$54,501,141	\$108,780,083
20	Update Salary Inflation Factors (No state funded increases in FY11 or FY12)	\$0	\$0	\$0
21	Update English as a Second Language Enrollment Projections	\$2,598,398	\$4,837,138	\$7,435,536

State Cost of Each Rebenchmarking Update

(incremental cost above FY12 base)

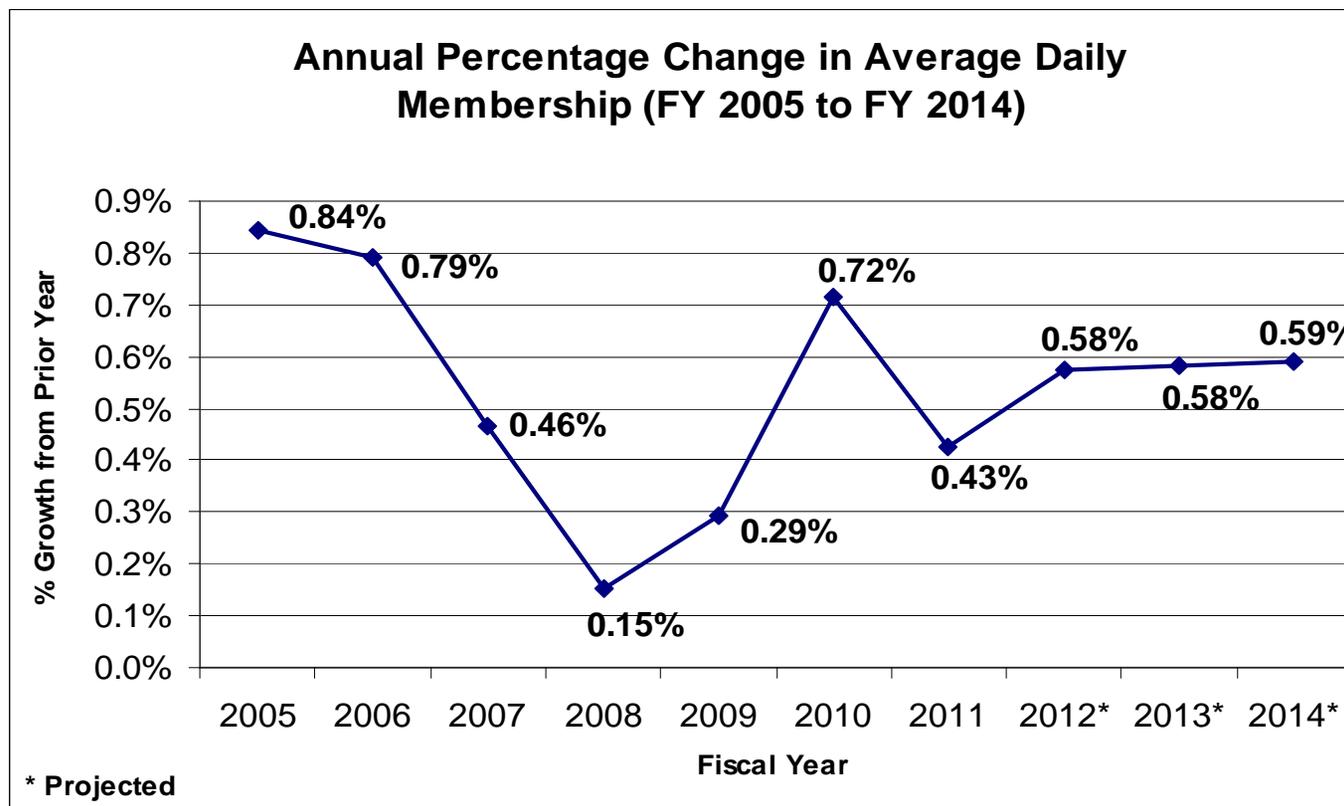
Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
22	Update Remedial Summer School Per Pupil Amount and Enrollment Projections	\$1,783,284	\$2,802,901	\$4,586,185
23	Update Incentive Accounts	\$773,735	\$944,413	\$1,718,148
24	Update Categorical Accounts	\$784,413	\$3,628,141	\$4,412,554
25	Update Lottery Funded Accounts (general fund portion of cost)	\$39,313,859	\$47,165,619	\$86,479,478
Total State Rebenchmarking Cost Above FY12 Base		\$145,578,825	\$173,117,359	\$318,696,184

Analysis of Key Data Inputs Impacting 2012-2014 Rebenchmarking Costs

- **Student Enrollment**
- **Special Education Child Count**
- **Career & Technical Education Enrollment**
- **SOL Failure Rates**
- **Free Lunch Eligibility**
- **Prevailing and Funded Salaries**
- **Nonpersonal Support Costs**
- **Federal Revenue Deduct**
- **Support Positions Cap**
- **Health Care Premium**
- **Textbook Expenditures**
- **Inflation Factors**

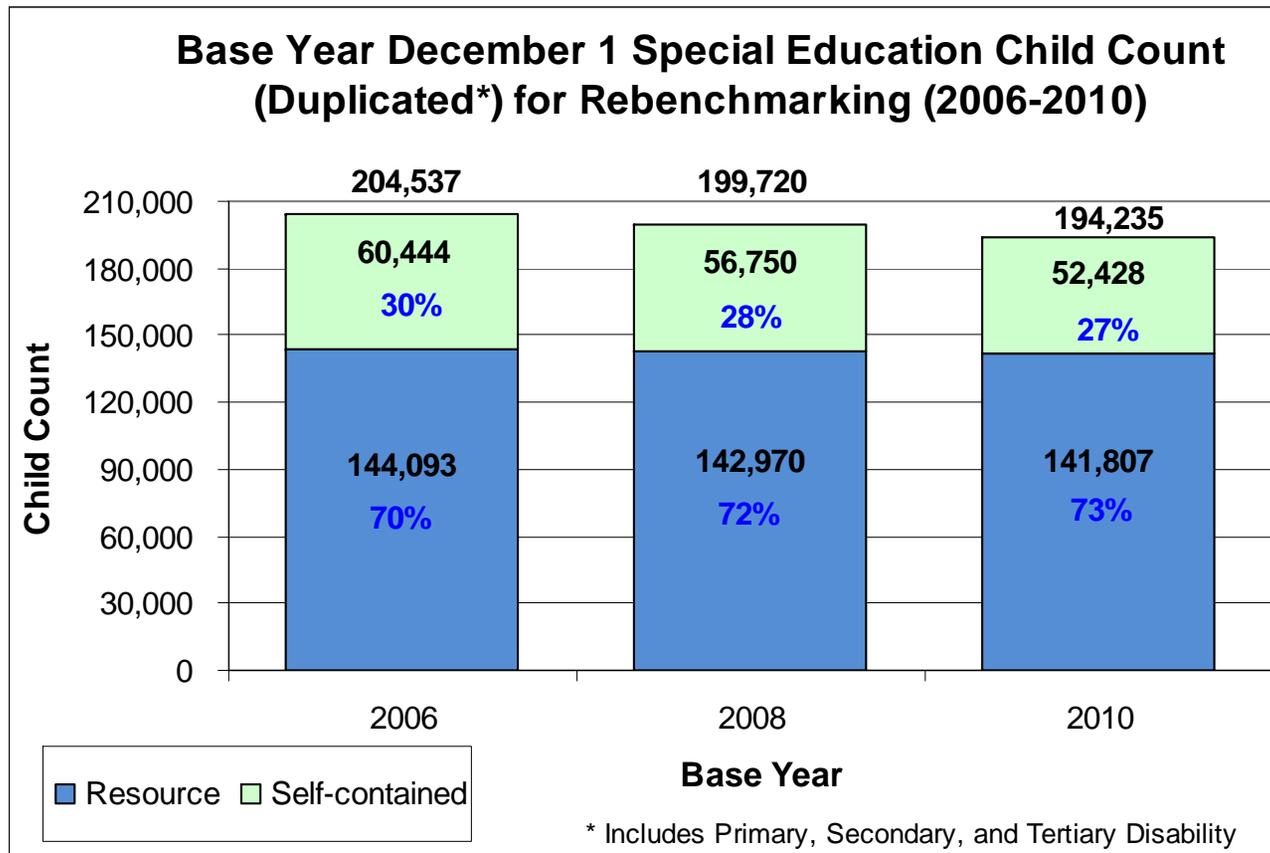
Enrollment

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
5	Update Fall Membership and Average Daily Membership Projections	(\$421,003)	\$13,349,721	\$12,928,718



Special Education Child Count

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
6	Update Special Education Child Count to December 1, 2010	(\$13,926,642)	(\$13,751,218)	(\$27,677,860)



Career and Technical Education

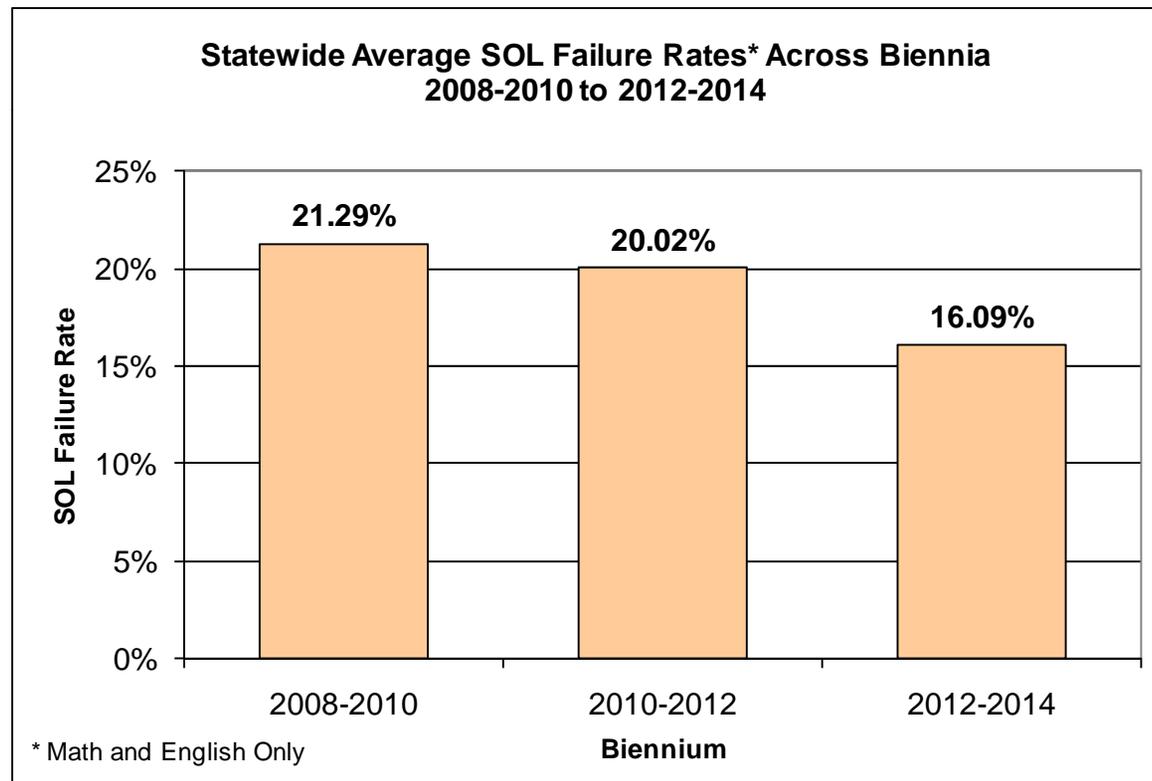
Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
7	Update Career and Technical Education Enrollment to School Year 2010-11	(\$19,409,892)	(\$19,370,654)	(\$38,780,546)

Comparison of Career and Technical Education Enrollment, Number of Courses, and Total Sections Across Base Years

	Base Year 2008 (2010-2012 Biennium)	Base Year 2010 (2012-2014 Biennium)	Percent Variance
Career and Technical Education Enrollment (Duplicated Enrollment)	593,099	572,368	(3.5%)
Number of Distinct Courses	6,681	6,524	(2.3%)
Total Course Sections	34,402	31,841	(7.4%)

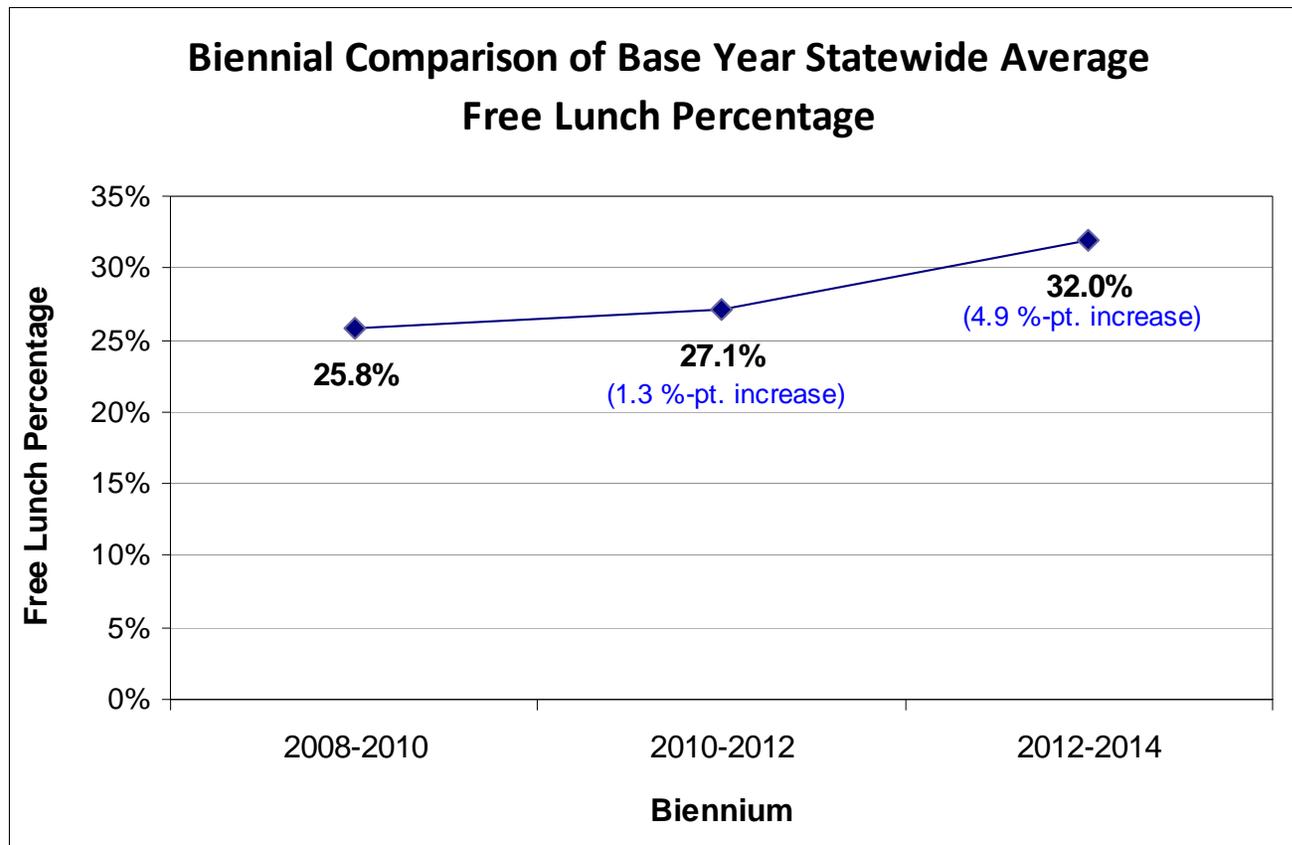
SOL Failure Rates

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
8	Update SOL Failure Rate Data to School Year 2009-10 (see below) and Free Lunch Percentages to School Year 2010-11	\$14,600,999	\$14,737,779	\$29,338,778



Free Lunch Eligibility

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
8	Update SOL Failure Rate Data to School Year 2009-10 and Free Lunch Percentages to School Year 2010-11 (see below)	\$14,600,999	\$14,737,779	\$29,338,778



Instructional Salaries

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
10	Update SOQ Funded Instructional Salaries	\$72,903,315	\$73,004,384	\$145,907,699

Comparison of Prevailing SOQ Instructional Salaries Across Biennia 2008-2010 to 2012-2014 (No Adjustment for State Funded Increases)

Instructional Position	2008-2010 Prevailing Salary (2005-06 Data)	2010-2012 Prevailing Salary (2007-08 Data)	Percent Variance	2010-2012 Prevailing Salary (2007-08 Data)	2012-2014 Prevailing Salary (2009-10 Data)	Percent Variance
Elementary Teachers	\$41,390	\$43,904	6.1%	\$43,904	\$45,118	2.8%
Elementary Asst. Principals	\$58,398	\$62,383	6.8%	\$62,383	\$63,824	2.3%
Elementary Principals	\$72,124	\$76,766	6.4%	\$76,766	\$78,510	2.3%
Secondary Teachers	\$43,158	\$46,090	6.8%	\$46,090	\$47,267	2.6%
Secondary Asst. Principals	\$62,460	\$66,658	6.7%	\$66,658	\$67,824	1.7%
Secondary Principals	\$78,721	\$84,564	7.4%	\$84,564	\$86,464	2.2%
Instructional Aides	\$14,820	\$16,104	8.7%	\$16,104	\$16,223	0.7%

Instructional Salaries

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
10	Update SOQ Funded Instructional Salaries	\$72,903,315	\$73,004,384	\$145,907,699

**Comparison of Funded SOQ Instructional Salaries Across Biennia
2006-2008 to 2012-2014 (Adjusted for Applicable State Funded Increases)**

Instructional Position	2006-2008 Funded Salary	2008-2010 Funded Salary	Percent Variance	2008-2010 Funded Salary	2010-2012 Funded Salary	Percent Variance	2010-2012 Funded Salary	2012-2014 Funded Salary	Percent Variance
Elementary Teachers	\$39,681	\$44,337	11.7%	\$44,337	\$43,904	(1.0%)	\$43,904	\$45,118	2.8%
Elementary Asst. Principals	\$55,827	\$62,556	12.1%	\$62,556	\$62,383	(0.3%)	\$62,383	\$63,824	2.3%
Elementary Principals	\$68,822	\$77,259	12.3%	\$77,259	\$76,766	(0.6%)	\$76,766	\$78,510	2.3%
Secondary Teachers	\$41,615	\$46,230	11.1%	\$46,230	\$46,090	(0.3%)	\$46,090	\$47,267	2.6%
Secondary Asst. Principals	\$59,784	\$66,907	11.9%	\$66,907	\$66,658	(0.4%)	\$66,658	\$67,824	1.7%
Secondary Principals	\$75,268	\$84,326	12.0%	\$84,326	\$84,564	0.3%	\$84,564	\$86,464	2.2%
Instructional Aides	\$13,828	\$15,875	14.8%	\$15,875	\$16,104	1.4%	\$16,104	\$16,223	0.7%

Support Salaries and Positions

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
11	Update Base-Year Expenditures from Annual School Report to School Year 2009-10 for Personal Support Costs (Positions and Salaries)	\$11,690,827	\$11,807,732	\$23,498,559

Comparison of <u>Prevailing</u> SOQ Support Salaries Across Biennia 2008-2010 to 2012-2014 (No Adjustment for State Funded Increases)						
Support Position	2008-2010 Prevailing Salary	2010-2012 Prevailing Salary	Percent Increase	2010-2012 Prevailing Salary	2012-2014 Prevailing Salary	Percent Increase
Superintendent	\$120,166	\$132,141	9.97%	\$132,141	\$136,376	3.20%
Assistant Superintendent	\$98,878	\$106,021	7.22%	\$106,021	\$109,678	3.45%
School Nurse	\$31,261	\$33,378	6.77%	\$33,378	\$34,647	3.80%
Instructional Professional	\$59,910	\$64,105	7.00%	\$64,105	\$66,473	3.69%
Instructional Technical/Clerical	\$25,763	\$28,232	9.58%	\$28,232	\$28,926	2.46%
Attendance & Health Administrative	\$49,543	\$54,139	9.28%	\$54,139	\$55,477	2.47%
Attendance & Health Technical//Clerical	\$22,422	\$24,558	9.53%	\$24,558	\$25,861	5.30%
Operations & Maintenance Professional	\$61,899	\$67,823	9.57%	\$67,823	\$71,950	6.09%
Operations & Maintenance Technical/Clerical	\$24,451	\$26,888	9.97%	\$26,888	\$27,419	1.98%
School Board Member	\$4,134	\$4,639	12.21%	\$4,639	\$4,992	7.61%
Administration Administrative	\$64,420	\$68,991	7.10%	\$68,991	\$74,874	8.53%
Administration Technical/Clerical	\$34,275	\$36,629	6.87%	\$36,629	\$37,754	3.07%
Technology Professional	\$63,397	\$68,808	8.54%	\$68,808	\$71,305	3.63%
Technology Technical/Clerical	\$27,968	\$30,411	8.74%	\$30,411	\$32,563	7.08%
Technology Support Standard	\$35,439	\$39,705	12.04%	\$39,705	\$41,813	5.31%
School Based Clerical	\$24,857	\$29,092	17.04%	\$29,092	\$27,917	(4.04%)

Support Salaries and Positions

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
11	Update Base-Year Expenditures from Annual School Report to School Year 2009-10 for Personal Support Costs (Positions and Salaries)	\$11,690,827	\$11,807,732	\$23,498,559

**Comparison of Funded SOQ Support Salaries Across Biennia
2008-2010 to 2012-2014 (Adjusted for Applicable State Funded Increases)**

Support Position	2008-2010 Funded Salary	2010-2012 Funded Salary	Percent Variance	2010-2012 Funded Salary	2012-2014 Funded Salary	Percent Variance
Superintendent	\$127,484	\$132,141	3.65%	\$132,141	\$136,376	3.20%
Assistant Superintendent	\$104,900	\$106,021	1.07%	\$106,021	\$109,678	3.45%
School Nurse	\$33,165	\$33,378	0.64%	\$33,378	\$34,647	3.80%
Instructional Professional	\$63,558	\$64,105	0.86%	\$64,105	\$66,473	3.69%
Instructional Technical/Clerical	\$27,332	\$28,232	3.29%	\$28,232	\$28,926	2.46%
Attendance & Health Administrative	\$52,560	\$54,139	3.00%	\$54,139	\$55,477	2.47%
Attendance & Health Technical//Clerical	\$23,788	\$24,558	3.24%	\$24,558	\$25,861	5.30%
Operations & Maintenance Professional	\$65,668	\$67,823	3.28%	\$67,823	\$71,950	6.09%
Operations & Maintenance Technical/Clerical	\$25,940	\$26,888	3.65%	\$26,888	\$27,419	1.98%
School Board Member	\$4,386	\$4,639	5.77%	\$4,639	\$4,992	7.61%
Administration Administrative	\$68,343	\$68,991	0.95%	\$68,991	\$74,874	8.53%
Administration Technical/Clerical	\$36,362	\$36,629	0.73%	\$36,629	\$37,754	3.07%
Technology Professional	\$67,258	\$68,808	2.31%	\$68,808	\$71,305	3.63%
Technology Technical/Clerical	\$29,671	\$30,411	2.49%	\$30,411	\$32,563	7.08%
Technology Support Standard	\$37,598	\$39,705	5.60%	\$39,705	\$41,813	5.31%
School Based Clerical	\$26,371	\$29,092	10.32%	\$29,092	\$27,917	(4.04%)

Nonpersonal Support Costs

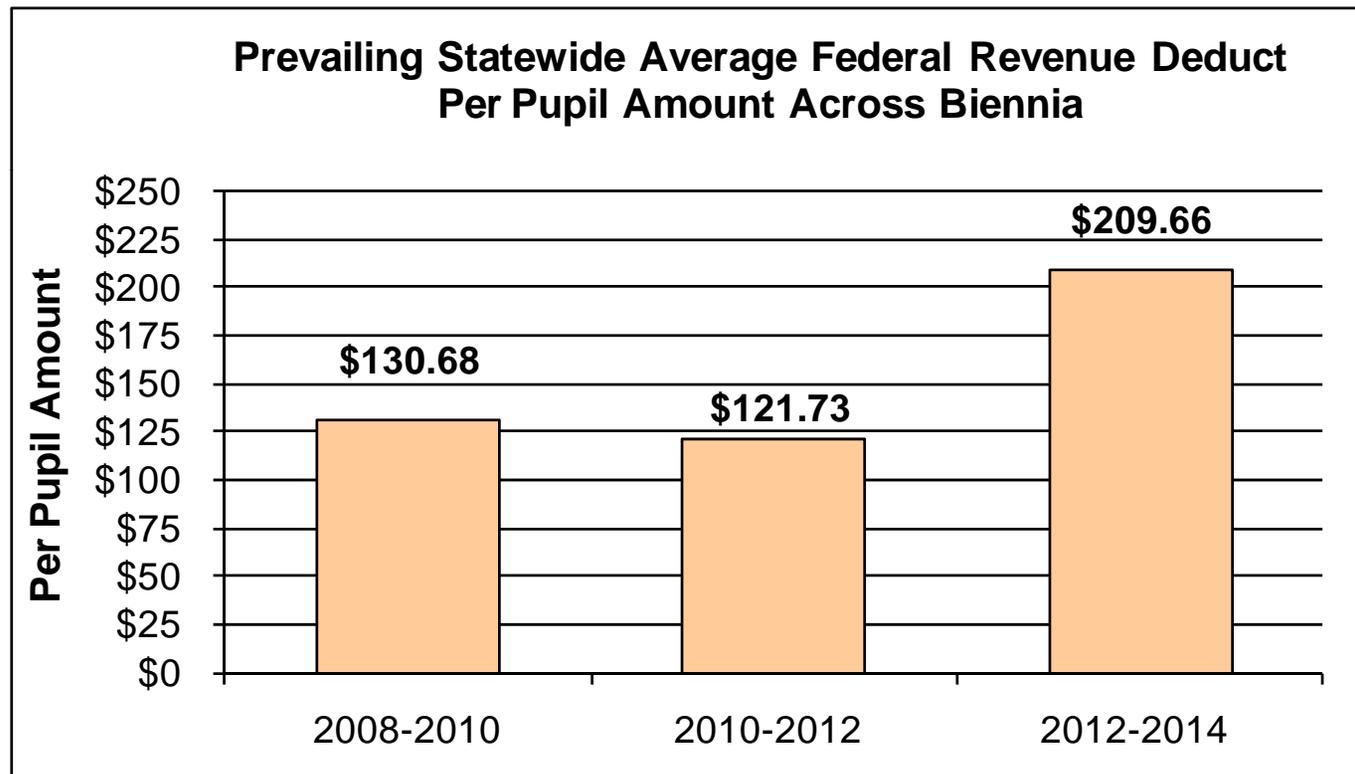
Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
12	Update Base-Year Expenditures from Annual School Report to School Year 2009-10 for Nonpersonal Support Costs	\$55,958,854	\$55,518,772	\$111,477,626

Comparison of *Prevailing* Nonpersonal Support Per Pupil Amounts Across Biennia: 2010-2012 to 2012-2014

Nonpersonal Support Category	2010-2012 Per Pupil Amount	2012-2014 Per Pupil Amount	Percent Variance	Nonpersonal Support Category	2010-2012 Per Pupil Amount	2012-2014 Per Pupil Amount	Percent Variance
Instructional Classroom	\$249.15	\$302.73	21.5%	Facilities	\$2.26	\$1.75	(22.4%)
Instructional Support	\$20.22	\$19.91	(1.5%)	Unemployment Insurance	\$2.15	\$5.64	162.5%
Principal's Office	\$9.14	\$8.20	(10.3%)	Worker's Compensation	\$24.06	\$26.35	9.5%
Administration	\$39.12	\$39.85	1.9%	Disability Insurance	\$1.19	\$1.01	(15.5%)
Attendance & Health	\$17.11	\$16.43	(4.0%)	Substitute Teachers	\$1,070.13	\$1,069.53	(0.1%)
Utilities	\$262.81	\$274.76	4.5%	Improvement	\$384.73	\$410.95	6.8%
Communication	\$31.64	\$33.06	4.5%	Technology	\$151.45	\$177.66	17.3%
Other Operations & Maintenance	\$191.98	\$196.19	2.2%	Insurance	\$30.99	\$30.29	(2.2%)
				Contingency Reserve	\$0.01	\$0.00	(100.0%)

Federal Revenue Deduct

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
13	Update Federal Revenue Deduct from Support Costs	(\$35,126,656)	(\$35,070,795)	(\$70,197,451)



Support Positions Cap

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
14	Update Support Positions Cap (Ratio of Instructional to Support Positions increased from 4.05 to 1 to 4.07 to 1)	(\$7,941,471)	(\$7,995,171)	(\$15,936,642)

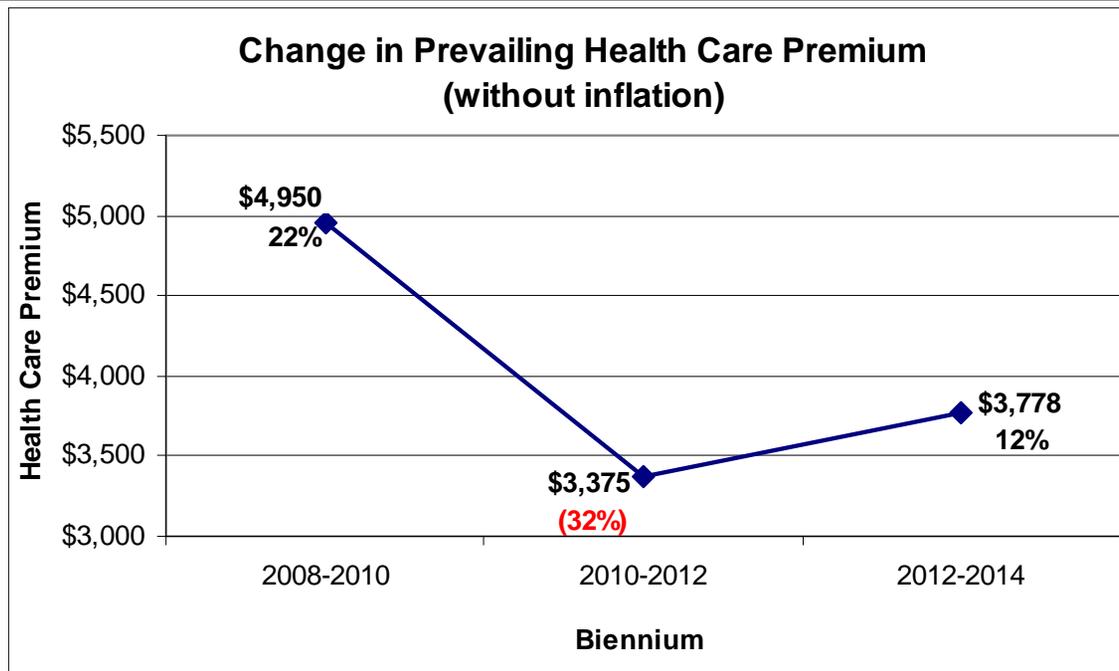
	CAPPED FY 2012 @ 4.05 to 1	CAPPED FY 2013 @ 4.07 to 1	CAPPED FY 2014 @ 4.07 to 1
Funded SOQ Support Positions			
Assistant Superintendent	176	175	175
Instructional Professional	2,152	2,103	2,115
Instructional Technical/Clerical	1,895	1,791	1,802
Attendance & Health Administrative	1,002	902	906
Attendance & Health Technical/Clerical	523	548	551
Operation & Maintenance Professional	252	258	260
Operation & Maintenance Technical/Clerical	8,746	8,623	8,669
Administration	590	602	604
Administration Technical/Clerical	1,524	1,454	1,461
Technology Professional	379	365	367
Technology Technical/Clerical	195	181	181
Technology Support Standard	1,221	1,222	1,230
School Based Clerical	3,675	3,829	3,850
Total Funded SOQ Support Positions	22,329	22,054	22,170

Note: The instructional to support position ratio used for the support position funding cap was rebenchmarked for the 2012-2014 biennium. The ratio changed from 4.05 to 1 for FY 2012 to 4.07 to 1 for the 2012-2014 biennium. The ratio is calculated by taking a three-year average of divisions' ASR instructional positions divided by ASR support positions and then calculating a statewide linear weighted average (LWA) ratio from the division ratios. The LWA ratio is then applied to the generated number of support positions to cap them at the instructional to support ratio. This represents the rebenchmarked cost update and not a permanent change in policy.



Health Care Premium

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
16	Update Prevailing Health Care Premium Per Position (without inflation)	\$25,193,055	\$25,036,289	\$50,229,344

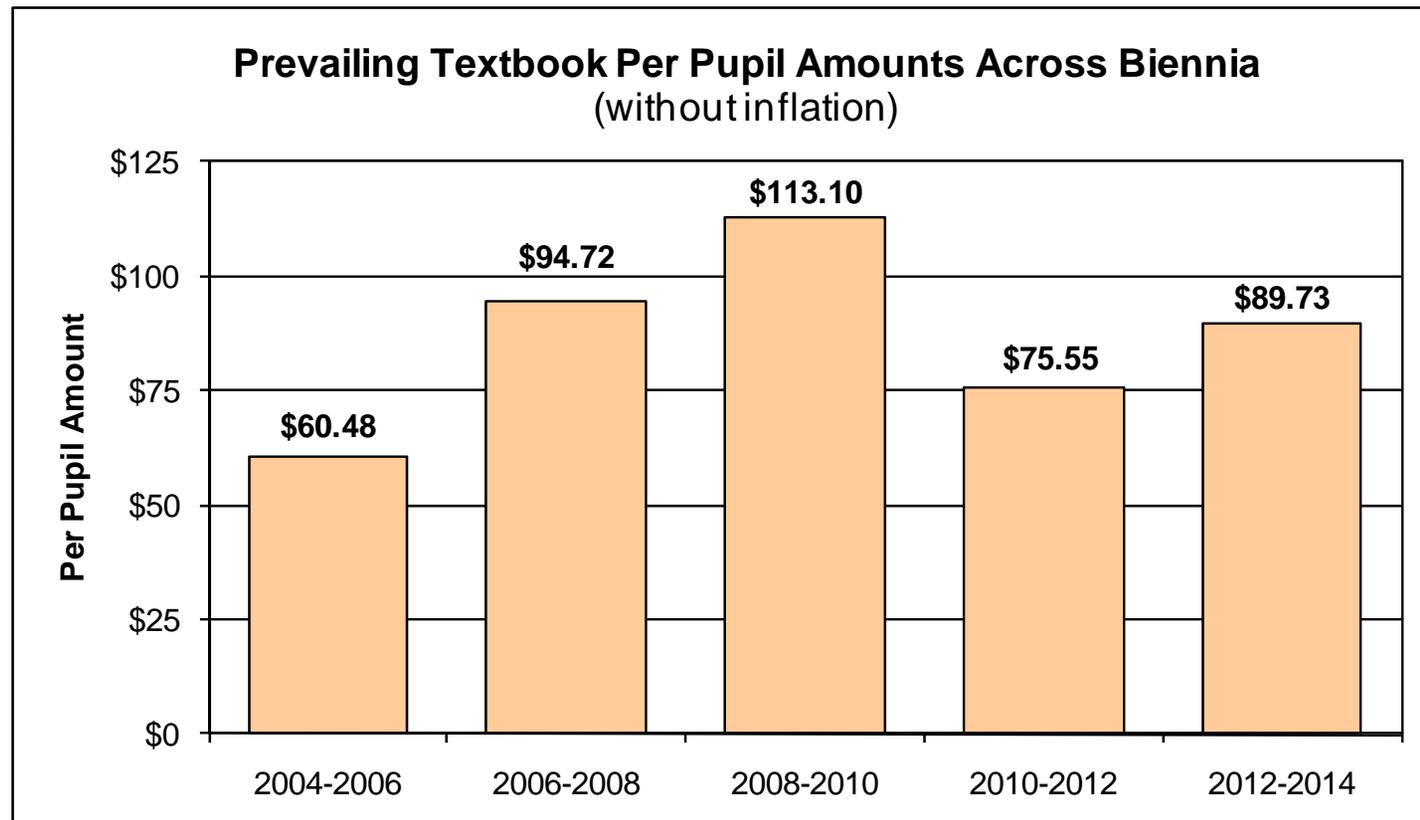


Note: The 2009 General Assembly changed the methodology for calculating the funded health care premium, beginning with the 2010-2012 biennium, by weighting each division’s annual employer-share health care premium used in the prevailing cost calculation according to the actual percentage of employees participating in each of the three general plan categories (employee, employee plus one, and family) and for actual overall employee participation.



Textbook Expenditures

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
17	Update Prevailing Textbook Per Pupil Amount (without inflation)	\$33,361,926	\$33,459,604	\$66,821,530



Inflation Factors

Update #	Update	FY 2013 State Cost	FY 2014 State Cost	2012-2014 Total
19	Update Nonpersonal Support Cost Inflation Factors	\$54,278,942	\$54,501,141	\$108,780,083

2012-2014 Inflation Factors Applied to Nonpersonal Support Costs in SOQ Model for the 2012-2014 Biennium							
Inflation Factor	2010-2012 Rates*	2012-2014 Rates	Percent Variance	Inflation Factor	2010-2012 Rates*	2012-2014 Rates	Percent Variance
Instructional:				Operation & Maintenance:			
Classroom Instruction	0.00%	4.02%	4.02%	Utilities	0.00%	4.66%	4.66%
Instructional Support	0.00%	4.05%	4.05%	Communications	0.00%	3.47%	3.47%
Improvement	0.00%	4.18%	4.18%	Insurance	0.00%	3.90%	3.90%
Principal's Office	0.00%	4.08%	4.08%	Other	0.00%	3.90%	3.90%
Miscellaneous:				Fixed Charges:			
Administration	0.00%	4.09%	4.09%	Unemployment	0.00%	3.90%	3.90%
Attendance & Health	0.00%	4.04%	4.04%	Workers Comp.	0.00%	3.90%	3.90%
Facilities	0.00%	3.61%	3.61%	Disability Insurance	0.00%	3.90%	3.90%
Textbooks	0.00%	3.90%	3.90%	Other Benefits	0.00%	3.90%	3.90%
Pupil Transportation	0.00%	4.47%	4.47%	Health Care Premium	0.00%	3.43%	3.43%
				Contingency Reserve	0.00%	3.90%	3.90%

* Note: The 2010-2012 budget adopted by the 2010 General Assembly removed funding for nonpersonal support cost inflation.

2012-2014

Rebenchmarking Summary

Key Data Inputs that Decreased Costs Compared to FY12 Base:

- Special Education Child Counts
- CTE Course Enrollment
- Federal Revenue Deduct Per Pupil Amount
- Pupil Transportation
- Support Position Cap
- Division SOL Failure Rates

Key Data Inputs that Increased Costs Compared to FY12 Base:

- Funded Instructional Salaries
- Funded Support Salaries
- Enrollment Projections
- Funded Nonpersonal Support Costs
- Free Lunch Eligibility
- Inflation Factors
- Health Care Premium
- Textbook Expenditures

Appendix A:

State Cost of 2012-2014 Rebenchmarking by Direct Aid Account

Standards of Quality Accounts

Standards of Quality Accounts	FY 2012 Base State Cost (Chapter 890)	FY 2013 Updated State Cost*	FY 2012 to FY 2013 Variance	FY 2012 Base State Cost (Chapter 890)	FY 2014 Updated State Cost*	FY 2012 to FY 2014 Variance	2012-2014 Biennium Variance
Basic Aid	\$2,868,000,323	\$3,009,487,065	\$141,486,742	\$2,868,000,323	\$3,020,983,169	\$152,982,846	\$294,469,588
Sales Tax	\$1,162,300,000	\$1,162,300,000	\$0	\$1,162,300,000	\$1,162,300,000	\$0	\$0
Textbooks (General Fund)	\$550,476	\$36,288,748	\$35,738,272	\$550,476	\$36,394,982	\$35,844,506	\$71,582,778
Vocational Education	\$65,987,613	\$51,947,965	(\$14,039,648)	\$65,987,613	\$51,887,275	(\$14,100,338)	(\$28,139,986)
Gifted Education	\$31,060,898	\$31,850,284	\$789,386	\$31,060,898	\$31,954,158	\$893,260	\$1,682,646
Special Education	\$362,561,667	\$359,129,096	(\$3,432,571)	\$362,561,667	\$360,091,407	(\$2,470,260)	(\$5,902,831)
Prevention, Intervention and Remediation	\$69,431,627	\$83,106,596	\$13,674,969	\$69,431,627	\$83,052,621	\$13,620,994	\$27,295,963
VRS Retirement	\$159,588,656	\$162,809,675	\$3,221,019	\$159,588,656	\$163,286,286	\$3,697,630	\$6,918,649
Social Security	\$176,117,112	\$179,725,029	\$3,607,917	\$176,117,112	\$180,246,911	\$4,129,799	\$7,737,716
Group Life	\$6,478,763	\$6,555,820	\$77,057	\$6,478,763	\$6,574,511	\$95,748	\$172,805
Standards of Quality SUB-TOTAL:	\$4,902,077,135	\$5,083,200,278	\$181,123,143	\$4,902,077,135	\$5,096,771,320	\$194,694,185	\$375,817,328

*Updated FY13 and FY14 State Costs Include Rebenchmarking.

Incentive Accounts

Incentive Accounts	FY 2012 Base State Cost (Chapter 890)	FY 2013 Updated State Cost*	FY 2012 to FY 2013 Variance	FY 2012 Base State Cost (Chapter 890)	FY 2014 Updated State Cost*	FY 2012 to 2014 Variance	2012-2014 Biennium Variance
Compensation Supplements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Schools	\$14,711,914	\$15,485,649	\$773,735	\$14,711,914	\$15,656,327	\$944,413	\$1,718,148
Clinical Faculty	\$318,750	\$318,750	\$0	\$318,750	\$318,750	\$0	\$0
Career Switcher Mentoring Grants	\$279,983	\$279,983	\$0	\$279,983	\$279,983	\$0	\$0
Special Education - Inservice	\$600,000	\$600,000	\$0	\$600,000	\$600,000	\$0	\$0
Special Education - Vocational Education	\$200,089	\$200,089	\$0	\$200,089	\$200,089	\$0	\$0
Composite Index Hold Harmless (General Fund)	\$14,560,612	\$0	(\$14,560,612)	\$14,560,612	\$0	(\$14,560,612)	(\$29,121,224)
At-Risk (General Fund)	\$0	\$68,151,966	\$68,151,966	\$0	\$79,105,052	\$79,105,052	\$147,257,018
Performance Pay Initiative	\$3,000,000	\$0	(\$3,000,000)	\$3,000,000	\$0	(\$3,000,000)	(\$6,000,000)
Supplemental Support for School Operating Costs	\$87,693,820	\$0	(\$87,693,820)	\$87,693,820	\$0	(\$87,693,820)	(\$175,387,640)
Incentive SUB-TOTAL:	\$121,365,168	\$85,036,437	(\$36,328,731)	\$121,365,168	\$96,160,201	(\$25,204,967)	(\$61,533,698)

*Updated FY13 and FY14 State Costs Include Rebenchmarking.

Categorical Accounts

Categorical Accounts	FY 2012 Base State Cost (Chapter 890)	FY 2013 Updated State Cost*	FY 2012 to FY 2013 Variance	FY 2012 Base State Cost (Chapter 890)	FY 2014 Updated State Cost*	FY 2012 to 2014 Variance	2012-2014 Biennium Variance
Adult Education	\$1,051,800	\$1,051,800	\$0	\$1,051,800	\$1,051,800	\$0	\$0
Adult Literacy	\$2,645,375	\$2,645,375	\$0	\$2,645,375	\$2,645,375	\$0	\$0
Virtual Virginia	\$2,356,908	\$2,356,908	\$0	\$2,356,908	\$2,356,908	\$0	\$0
American Indian Treaty Commitment	\$66,136	\$62,587	(\$3,549)	\$66,136	\$64,533	(\$1,603)	(\$5,152)
School Lunch	\$5,801,932	\$5,801,932	\$0	\$5,801,932	\$5,801,932	\$0	\$0
Special Education - Homebound	\$5,311,790	\$5,580,444	\$268,654	\$5,311,790	\$5,879,687	\$567,897	\$836,551
Special Education - Jails	\$4,065,031	\$3,749,945	(\$315,086)	\$4,065,031	\$4,010,337	(\$54,694)	(\$369,780)
Special Education - State Operated Programs	\$32,784,982	\$33,619,376	\$834,394	\$32,784,982	\$35,901,523	\$3,116,541	\$3,950,935
Categorical SUB-TOTAL:	\$54,083,954	\$54,868,367	\$784,413	\$54,083,954	\$57,712,095	\$3,628,141	\$4,412,554

*Updated FY13 and FY14 State Costs Include Rebenchmarking.

Lottery Funded Accounts (page 1 of 2)

Lottery Funded Accounts	FY 2012 Base State Cost (Chapter 890)	FY 2013 Updated State Cost*	FY 2012 to FY 2013 Variance	FY 2012 Base State Cost (Chapter 890)	FY 2014 Updated State Cost*	FY 2012 to 2014 Variance	2012-2014 Biennium Variance
Foster Care	\$11,280,189	\$12,271,550	\$991,361	\$11,280,189	\$13,348,047	\$2,067,858	\$3,059,219
Composite Index Hold Harmless (Lottery)	\$2,000,000	\$0	(\$2,000,000)	\$2,000,000	\$0	(\$2,000,000)	(\$4,000,000)
At-Risk	\$63,942,399	\$12,859,981	(\$51,082,418)	\$63,942,399	\$1,691,343	(\$62,251,056)	(\$113,333,474)
Virginia Preschool Initiative	\$65,104,439	\$107,270,427	\$42,165,988	\$65,104,439	\$108,420,423	\$43,315,984	\$85,481,972
Early Reading Intervention	\$13,409,571	\$13,827,350	\$417,779	\$13,409,571	\$13,852,302	\$442,731	\$860,510
Mentor Teacher	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0
K-3 Class Size Reduction	\$74,777,373	\$77,135,890	\$2,358,517	\$74,777,373	\$76,984,472	\$2,207,099	\$4,565,616
School Breakfast Program	\$2,935,937	\$2,935,937	\$0	\$2,935,937	\$2,935,937	\$0	\$0
SOL Algebra Readiness	\$9,062,788	\$11,095,881	\$2,033,093	\$9,062,788	\$11,074,862	\$2,012,074	\$4,045,167
Regional Alternative Education	\$6,953,940	\$7,161,772	\$207,832	\$6,953,940	\$7,161,534	\$207,594	\$415,426

*Updated FY13 and FY14 State Costs Include Rebenchmarking.



Lottery Funded Accounts (page 2 of 2)

Lottery Funded Accounts	FY 2012 Base State Cost (Chapter 890)	FY 2013 Updated State Cost*	FY 2012 to FY 2013 Variance	FY 2012 Base State Cost (Chapter 890)	FY 2014 Updated State Cost*	FY 2012 to 2014 Variance	2012-2014 Biennium Variance
ISAEF	\$2,247,581	\$2,247,581	\$0	\$2,247,581	\$2,247,581	\$0	\$0
Special Education - Regional Tuition	\$76,011,161	\$75,249,812	(\$761,349)	\$76,011,161	\$81,027,586	\$5,016,425	\$4,255,076
Vocational Education - Categorical	\$10,400,829	\$10,400,829	\$0	\$10,400,829	\$10,400,829	\$0	\$0
NCLB/Education for a Lifetime	\$4,749,675	\$4,749,675	\$0	\$4,749,675	\$4,749,675	\$0	\$0
Project Graduation	\$2,774,478	\$2,774,478	\$0	\$2,774,478	\$2,774,478	\$0	\$0
Supplemental Basic Aid	\$869,466	\$722,867	(\$146,599)	\$869,466	\$697,643	(\$171,823)	(\$318,422)
English as a Second Language	\$39,960,785	\$43,920,456	\$3,959,671	\$39,960,785	\$46,159,188	\$6,198,403	\$10,158,074
Remedial Summer School	\$21,496,705	\$23,279,992	\$1,783,287	\$21,496,705	\$24,299,611	\$2,802,906	\$4,586,193
Textbooks (Lottery)	\$26,897,684	\$26,970,522	\$72,838	\$26,897,684	\$27,049,489	\$151,805	\$224,643
Lottery SUB-TOTAL:	\$435,875,000	\$435,875,000	\$0	\$435,875,000	\$435,875,000	\$0	\$0

*Updated FY13 and FY14 State Costs Include Rebenchmarking.

Supplemental Education

Supplemental Education	FY 2012 Base State Cost (Chapter 890)	FY 2013 Updated State Cost*	FY 2012 to FY 2013 Variance	FY 2012 Base State Cost (Chapter 890)	FY 2014 Updated State Cost*	FY 2012 to 2014 Variance	2012-2014 Biennium Variance
Career and Technical Education Resource Center	\$248,021	\$248,021	\$0	\$248,021	\$248,021	\$0	\$0
Jobs for Virginia Graduates	\$373,776	\$373,776	\$0	\$373,776	\$373,776	\$0	\$0
Project Discovery	\$619,650	\$619,650	\$0	\$619,650	\$619,650	\$0	\$0
Small School Division Assistance	\$145,896	\$145,896	\$0	\$145,896	\$145,896	\$0	\$0
Southside Virginia Regional Technology Consortium	\$58,905	\$58,905	\$0	\$58,905	\$58,905	\$0	\$0
Southwest VA Public Education Consortium	\$124,011	\$124,011	\$0	\$124,011	\$124,011	\$0	\$0
VA Career Education Foundation	\$31,003	\$31,003	\$0	\$31,003	\$31,003	\$0	\$0
Van Gogh Outreach Program	\$71,849	\$71,849	\$0	\$71,849	\$71,849	\$0	\$0
Virginia Teaching Scholarship Loan Program	\$708,000	\$708,000	\$0	\$708,000	\$708,000	\$0	\$0
National Board Certification Teacher Bonuses	\$4,970,000	\$4,970,000	\$0	\$4,970,000	\$4,970,000	\$0	\$0
Greater Richmond Area Scholarship Program (GRASP)	\$212,500	\$212,500	\$0	\$212,500	\$212,500	\$0	\$0
Supplemental Education SUB-TOTAL:	\$7,563,611	\$7,563,611	\$0	\$7,563,611	\$7,563,611	\$0	\$0

*Updated FY13 and FY14 State Costs Include Rebenchmarking.

Summary – All Direct Aid Accounts

State Direct Aid Account Category	FY 2012 <u>Base</u> State Cost (Chapter 890)	FY 2013 Updated State Cost*	FY 2012 to FY 2013 Variance	FY 2012 <u>Base</u> State Cost (Chapter 890)	FY 2014 Updated State Cost*	FY 2012 to 2014 Variance	2012-2014 Biennium Variance
Standards of Quality	\$4,902,077,135	\$5,083,200,278	\$181,123,143	\$4,902,077,135	\$5,096,771,320	\$194,694,185	\$375,817,328
Incentive	\$121,365,168	\$85,036,437	(\$36,328,731)	\$121,365,168	\$96,160,201	(\$25,204,967)	(\$61,533,698)
Categorical	\$54,083,954	\$54,868,367	\$784,413	\$54,083,954	\$57,712,095	\$3,628,141	\$4,412,554
Lottery	\$435,875,000	\$435,875,000	\$0	\$435,875,000	\$435,875,000	\$0	\$0
Supplemental Education	\$7,563,611	\$7,563,611	\$0	\$7,563,611	\$7,563,611	\$0	\$0
State Direct Aid TOTAL COST*	\$5,520,964,868	\$5,666,543,693	\$145,578,825	\$5,520,964,868	\$5,694,082,227	\$173,117,359	\$318,696,184

*Updated FY13 and FY14 State Costs Include Rebenchmarking.